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Governor

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Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

August 16, 1988

TO: Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining *KEM*

THRU: Lowell P. Braxton, Administrator

FROM: Holland Shepherd, Reclamation Soils Specialist *HWS*

RE: Request for Board Concurrence to Proceed to Forfeit the Bond, S&S Mining Co., Red Rock Mine, M/037/050, San Juan County, Utah

The Division staff requests Board concurrence on initiating the procedure to forfeit the Red Rock Mine Bond. The site is presumed abandoned, and has been out of compliance with Division regulations for several years.

The mine operator received permit approval, for this site, December 29, 1983, and a bond was posted for \$15,000. The mine was operated until the first quarter of 1984 (specific date unknown). The sight, has since this time period been inactive. No correspondence been reciprocated, by the operator, nor annual reports submitted since February of 1984.

Another individual, Mr. Ron Beck of Moab, presently maintains the claim on this site. Mr. Beck has initiated no mining on the property at this point in time.

A certified letter, was recently sent to S&S Mining, asking that the operator update the Division on the status of the site, but no response was offered (see attached letter dated May 2, 1988). The letter also advised that the Division would initiate forfeiture procedures if the operator did not reply by June 15, 1988.

HWS/jb
Attachments
4/23

SUMMARY OF ACTIONS TAKEN RELATIVE TO THE
AUGUST 25, 1988, BRIEFING AND HEARING AGENDA
UTAH BOARD OF OIL, GAS AND MINING

Introduction

The following summary is prepared for the purpose of providing a brief statement of actions taken by the Board of Oil, Gas and Mining at its monthly Board Hearing. Detailed information, legal filings and exhibits, transcripts, and orders are filed with the Division of Oil, Gas and Mining. If you need additional information on a matter, you can contact Marjorie Anderson, Secretary of the Board of Oil, Gas and Mining, 3 Triad Center, Suite 350, Salt Lake City, Utah 84180-1203. Phone (801) 538-5340.

Briefing Session, August 25, 1988

1. Briefing Issue: Request for Board concurrence on amount and form of reclamation surety for B.P. Minerals America, Barney's Canyon Gold Leaching Project, M/035/009.

Action: Board approved form and amount of surety.

2. Briefing Issue: Request for Board concurrence on amount and form of reclamation surety for Tenneco Minerals, Goldstrike Gold Heap Leaching Project, M/053/005.

Action: Board approved form and amount of surety.

3. Briefing Issue: Request for Board approval to transfer the Atlas Minerals, Inc.'s, Calliham-Sage Mine, M/037/023, to H.D. Butt.

Action: No Board action necessary. Operation under five acres.

4. Briefing Issue: Request for Board approval to transfer U.S.X. Corp.'s Iron Mountain Mine, M/021/017, and Keigley Quarry, M/049/001, to Geneva Steel.

Action: Board approved form and amount of surety.

5. Briefing Issue: Request for Board approval to transfer Atlas Minerals, Inc.'s Dunn Mine, M/037/017, and the Standard I Mine, M/037/005, to W.K. Enterprises.

Action: No Board action necessary. Operation under five acres.

6. Briefing Issue: Request for Board approval to commence with bond forfeiture procedures on S&S Mining Co., Red Rock Mine, M/037/050.

Action: Board concurred with Division recommendation to set hearing for bond forfeiture.

7. Briefing Issue: Request for Board's concurrence to issue an Order to Show Cause, based on operator's refusal to permit United Park City Mines, Ontario Mine, M/043/003.

Action: Continued.

8. Briefing Issue: Request for Board's guidance regarding special language or provisions to be included in drafting a "board contract" for Uintah County Commission, Asphalt Ridge Tar Sands Mine, M/047/022.

Action: Board agrees to enter into Board Contract with Uintah County.

9. Briefing Issue: Request from Unocal to flare the Lisbon McCracken B-614A Well, San Juan County, Utah.

Action: No action taken. Flaring denied by Division.

10. Briefing Issue: Discussion of draft rules amending and revising the Oil and Gas Conservation General Rules.

Action: Provided for information only.

11. Briefing Issue: Status report on DOGM monthly activities.

Action: Provided for information only.

12. Briefing Issue: Next month's agenda.

Action: Provided for information only.

13. Briefing Issue: Other items as necessary.

Action: No other items.

Hearing Agenda, August 25, 1988

1. Docket No.88-014/Cause No. WD-103 - In the matter of the request for agency action of Sun Exploration and Production Company for an aquifer exemption and also for authorization of the conversion to a water disposal well for the Flash Federal No. 1 Well, Section 18, Township 3 North, Range 15 East, Summit County, Utah.



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May 2, 1988

Certified Return Receipt Requested
P 001 717 865

Mr. Clayton Stocks
S. & S. Mining Company
P O Box 414
Moab, Utah 84532

Dear Mr. Stocks:

RE: Reclamation of Red Rock Mine, M/037/050, San Juan County, Utah

The Division is considering taking action to withdraw approval for the Red Rock Mine in San Juan County. If approval is withdrawn this would mean the forfeiture of the \$15,000 surety bond you have posted for this property, and eventual reclamation of the property.

The last site inspection conducted by the Division personnel at the Red Rock Mine delineated some problems that have not been corrected: 1) The mine opening needs to be restricted to prevent unauthorized entry; 2) trash scrap metal, wood, and other debris needs to be disposed of in a manner that is in accordance with State Health regulations.

Also your 1985, 1986 and 1987 annual reports are overdue. It is apparent that the Red Rock Mine has been inactive since early 1984 and you are no longer the legal claim holder.

If the mine site is kept in good condition. The Division can allow for a suspension period, otherwise we must require the reclamation of an inactive site. Please inform us of your intentions regarding this site by June 15, 1988 or the Division will initiate proceedings to forfeit the bond and commence reclamation of the Red Rock site.

Sincerely,

Lowell Braxton
Administrator
Mineral Resource Development
and Reclamation Program

re
0817Q-26



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March 22, 1988

TO: File

FROM: Frank Filas

Re: Red Rock Mine, SM/037/050, San Juan County, Utah

On March 15, 1988, I had a short discussion with a
Mr. Ron Beck who's address and phone number are listed below:

4451 East Easy Street
Moab, Utah
(801) 259-6972

Mr. Beck has staked claims at the Red Rock Mine. Apparently Clayton Stocks who holds the NOI and a \$15,000 reclamation bond on the site has elected not to keep the claims up. Mr. Beck did not seem interested in transferring the NOI if he had to post a reclamation bond. He asked if he would incur a reclamation responsibility if he backfilled the decline. I could not give him a definite answer at that time. I told him that if we could get some clean up and reclamation at the site, that the mine would probably qualify as a small mine under the proposed rules.

re

cc: Lowell Braxton
Holland Shepherd

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